

July 15, 2006

Re. Business Opportunity Rule, R51193

I applaud your efforts to protect the American public from fraudulent direct selling businesses with your new initiative, Business Opportunity Rule R511993, and welcome any changes that will create a level playing field for all such home-based businesses.

I have been associated with Alticor and its online ecommerce business, Quixtar.com, for a number of years. I have been impressed by that company's products and professional approach to distributing them. On the other hand, I have observed variations in that level of professionalism between the various direct selling companies, and even lines of sponsorship within the Quixtar family. I am proud to report that the line of sponsorship I have been blessed to have been registered into, Larry & Pam Winters and Danny & Reante Snipes, has never wavered from its stated goal of unity and concern for people within and outside of Quixtar.

A major benefit I see from your efforts for myself and my business will be that the general population will be more comfortable considering a legitimate opportunity such as the Quixtar Independent Business Ownership plan once disreputable companies are forced to conduct their businesses along strict, ethical standards as we have been doing all along.

While the majority of your proposed rule will give all of us the ability to conduct our businesses with even greater consumer confidence, several of the specifics of the rule will slow or even side-track these efforts. Specifically, the seven day delay before registering will preclude the new IBO from sharing the opportunity with his or her friends while their anticipation is at the highest and most effective levels. That would tend to move the financial benefits of their Quixtar business to a later date and perhaps stall them altogether. Quixtar maintains a six month money-back guarantee for all products including initial registration fees. A similar requirement for all direct-selling businesses should adequately protect anyone who decides to withdraw from the business if their interest "cools" within seven days (or 5 ½ months).

IBOs who are successful in the Quixtar business outside the immediate line of sponsorship of the prospective IBO are available on a frequent, regular

basis to answer their questions and to provide references along the lines of your proposed “Rule”. It would be an unnecessary burden in these busy IBOs’ private lives to be included on a “list of 10 area references” and have to take random, unscheduled inquiries about the business.

Income disclosures and financial documentation, especially on new IBOs can give an incomplete picture, at best, of the prospective IBO’s potential income. At worst, these sorts of documents can be falsified by unscrupulous businesses. The technique used by the Winters’ line of Quixtar sponsorship of showing life-style increases as one advances in the business has been very effective in demonstrating the business’ income potential.

Finally, providing 10 years’ of allegations/lawsuits would include frivolous and unfounded charges, and would be misleading. The standard should include only successful lawsuits and proven facts of wrong-doing by a company. These can be gleaned from the Better Business Bureaus and states’ Attorneys General.

We trust you will give enlightened considerations to your proposed Rule and indeed create the level playing field that legitimate home-based, direct-selling businesses deserve.

Thank you,

Ed & Val King